



**Speech by Mr. Lindsay Duffield
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The Spoken Word Applies

Ladies and Gentlemen,

Welcome to the BMW Group stand at the Canadian International Auto Show.

You know that 2007 was another record breaking year for BMW Group in Canada. BMW sales were up 20%. We celebrated our 17th consecutive year of sales increases - no easy task in a Luxury Market that was down 3%.

Our MINI Brand sold 3703 cars, up 9% over 2006. MINI has sold more cars in every year since its launch in 2002.

And our two-wheeled division at BMW Motorrad rode to an impressive 36% , yes you heard me right – 36% increase over 2006, with 1627 bikes retailed.

We now have over 200,000 BMW and MINIs on Canadian roads.

But 2007 is history, and you all know that at BMW Group, we do not rest on our laurels. As the #1 Premium Vehicle Manufacturer in Canada, the only direction is forward and the only speed is “pedal to the metal”. 2008 will be our most aggressive product launch year in history:

1. We are extending the MINI family, with the new MINI Clubman. It goes on sale today!
2. We are launching seven new BMW motorcycles - two all-new Enduro bikes - the F650GS and F800GS, two new high performance models - the HP2 Megamoto and HP2 Sport; the all-new G450X Sports Enduro and finally our most popular R1200GS and GS Adventure are getting extensive updates.
3. We are introducing the new segment shaping BMW X6 Sports Activity Coupé, which will feature the first application of our new twin turbo V8 gasoline engine, with direct injection.

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4. This fall, we are delivering on our Efficient Dynamics strategy with the launch of BMW Advanced Diesels with BluePerformance.
5. We are introducing a new generation of M3 Coupés, Sedans and Cabriolets; and last, but certainly not least....
6. We are launching the 1 Series in Canada for the first time....

Over 40 years ago, BMW brought the BMW 2002 to North America, changing the performance car landscape and redefining the term “sports sedan”. The Editor of CAR AND DRIVER MAGAZINE at the time, David E. Davis JR., proclaimed it “one of modern civilization’s all-time best ways to get somewhere sitting down”.

Now, we will do it all over again, with the new 1 Series. The 1 Series Coupé was unveiled at the Montreal Auto Show last month, and we’re pleased to introduce you to the 1 Series Cabriolet.

This car is striking in its design, and that’s because the cabriolet was the original 1 Series design concept. The Coupé followed the cabriolet and not vice versa.

Note the elegant shoulder-line that stretches from the front to rear and is reminiscent of the BMW 2002. Its particularly low and broad for a car in this segment. These broad shoulders not only demonstrate the strength of the car but also encapsulates advanced safety features of the body.

The 1 Series Cabriolet looks like a BMW Cabriolet, and it drives like a BMW Cabriolet. Let’s talk premium substance, sporty characteristics, compact and nimble body, rear wheel drive, 50/50 weight distribution, and powerful and efficient in-line 6 cylinder engines. This car is BMW distilled to its purest form - pure excitement, pure power and the purest driving experience.

The 1 Series Cabriolet, like the Coupé, will be available in two 6 cylinder engine variants:

- The 128i – with its lightweight, 230 hp inline 6, with Valvetronic Technology, and
- The 135i - with our award winning “Engine of the Year” 300 HP / 300 footpounds of torque, twin turbo six.



The 1 Series Coupé and Cabriolet will be available next month at the attractive base prices of \$33,900 for the 128i Coupé and \$39,900 for the 128i Cabriolet. The 135i Coupé starts at \$41,700 and 135i Cabriolet - \$47,200.

With the new 1 Series, we plan to attract an even younger customer than the average 3 Series customer – by about 10 years. These target customers want a compact and premium car that complements their dynamic lifestyle. The 1 Series fills that need, like no other car.

On to our next exciting introduction. For the first time in 13 years, the M3 is once again available as a four door sedan. Let's take a look.

The all new BMW M3 Sedan complements the M3 Coupé as shown in Montreal last month, and the M3 Cabriolet, which we will unveil at the Vancouver Auto Show next month. All M3s feature the first V8 engine in a production M3. The M trademark high revving powerplant develops 414-horsepower at 8,300 rpm, accelerating the M3 Sedan from 0 to 100 km/ hr in 4.9 seconds.

All M3 models will be introduced this Spring, starting with the Sedan and Coupé, followed shortly by the Cabriolet. The MSRP's will be \$69,900 for the M3 Sedan; \$71,300 for the M3 Coupé; and \$81,900 for the M3 Cabriolet.

The 2008 M3 Coupé offers customers an equipment adjusted added value of \$5,420 compared to the previous generation. The new M3 Cabriolet has an equipment adjusted increased customer value of \$6,550.

What's truly remarkable about the M3's new V8 engine is that it:

- Delivers 24% more horsepower;
 - Is 33 lb lighter
- AND
- Consumes 8% less fuel than the outgoing M3 in-line 6 cylinder engine.

As you can see, even our highest performance vehicles like the new M3, have been fitted with a series of innovations to lower fuel consumption. At BMW Group, we are continuously striving to improve fuel economy, reduce environmental impact and improve driving dynamics. This is what we call BMW EfficientDynamics.



Our responsibility starts well before we sell a car. In the last ten years, we have reduced the energy consumption required to build a vehicle by 26%, water usage by 47%; carbon dioxide emissions by 24% and solvent emissions by more than 50%!

At the same time, we have made great strides improving the efficiency of our vehicles. For example, a current 328i Sedan consumes 36% less fuel than a 1990 325i, even though the 2008 model is 5% larger overall, has 37% more horsepower; and accelerates to 100 km 27% quicker. This is EfficientDynamics in action, and being delivered in every BMW Group product today!

Let's not forget our MINI Brand when it comes to Green Performance. MINI proved that cars can be sporty, compact, premium and fuel efficient, all at the same time. Both the MINI Cooper and MINI Cooper Clubman qualify for the Federal Government \$1000 EcoAuto Rebate reinforcing their miserly fuel consumption.

And today, Natural Resources Canada presented the 2008 MINI Cooper and the new 5 door MINI Cooper Clubman with the ecoENERGY award as the most fuel efficient vehicles in their respective class.

Let me now direct your attention over here to the BMW 335 Diesel race car that placed fourth in the 2007 Thunderhill twenty-five hour enduro race in California. Yes, Performance and Diesel is not an oxymoron anymore. BMW will introduce the "BMW of Diesels" to the Canadian marketplace this fall.

Our BMW Advanced Diesel engine, with BluePerformance, produces nearly as much torque as our 6 litre V12....but with fuel consumption roughly 30% better than a comparable 6 cylinder gasoline engine. This new twin turbo diesel will be offered in our 3 Series Sedan and X5 Sports Activity Vehicle.

Last year we showcased the BMW Hydrogen 7 at our stand, representing the Group's long term vision for virtually zero emission driving. This year we are pleased to introduce you to a nearer term EfficientDynamics addition to the BMW Family – our first two-mode ActiveHybrid.

Helping me today, I am pleased to have Mr. Marc Breithecker, a BMW Engineer who is stationed in Troy, Michigan working in our Hybrid Cooperation Project with GM, Daimler and Chrysler.



Welcome Marc! Now tell me what is the difference between BMW's hybrid technology and other hybrids?

Marc:

- First: With our Two-Mode Active transmission we are combining a high-efficiency and high-performance combustion engine with two high-performance electric motors.. This allows us to make use of the hybrid's fuel-saving potential across a much wider speed range. In other words: The BMW Hybrid can be driven at maximum efficiency on any kind of road – in the city or on the highway. And this is something that traditional hybrid technology hasn't been able to achieve.
- Second: The BMW Hybrid offers substantially higher driving dynamics. A hybrid developed by BMW will always be a vehicle that reflects the typical BMW performance characteristics. You can literally call it the BMW amongst Hybrids.
- And third: The fuel consumption of the BMW Hybrid is up to 20 percent lower versus a comparable vehicle with a conventional combustion engine. Thus the BMW Concept X6 ActiveHybrid is a perfect example for BMW EfficientDynamics: it is the combination of Sheer Driving Pleasure and efficient use of energy at the same time.

Lindsay: Thanks Marc. I know everyone is anxiously awaiting BMW's first hybrid. It will go on sale in Canada in 2009.

Marc, you and your team have worked extremely hard to develop BMW's first hybrid. Can I ask you to do us the honour of unveiling the BMW X6 Concept ActiveHybrid for the first time in Canada.

Thank you all for your attention and enjoy the show.